

HOUSE BILL 2995  
By Kent

AN ACT to amend Tennessee Code Annotated, Title 48, Chapter 101, relative to annual events operated for the benefit of the §501(c)(3) organizations located in Tennessee pursuant to Article XI, Section 5 of the Constitution of Tennessee.

WHEREAS, Article XI, Section 5 of the Constitution of Tennessee provides, in pertinent part:

All other forms of lottery not authorized herein are expressly prohibited unless authorized by a two-thirds vote of all members elected to each house of the general assembly for an annual event operated for the benefit of a 501(c)(3) organization located in this state, as defined by the 2000 United States Tax Code or as may be amended from time to time.

; and

WHEREAS, the general assembly desires to authorize certain §501(c)(3) organizations located in Tennessee to each operate, for its benefit, one annual lottery event in accordance with all applicable laws, rules and regulations; and

WHEREAS, the public welfare will benefit as a result of the funds raised for the benefit of each such §501(c)(3) organization from the annual event operated for its benefit; now, therefore

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 48, Chapter 101, is amended by adding the following language as a new part:

Section 48-101-801.

(a) In accordance with Article XI, Section 5 of the Constitution of Tennessee, the general assembly authorizes the following annual lottery events to be operated for the benefit of §501(c)(3) organizations located in Tennessee,

with each lottery event to be conducted in accordance with the requirements set forth in this section:

(1) A raffle of a new passenger vehicle, plus other lesser prizes, through a random drawing from numbered tickets, to be operated by and for the benefit of the Community Health Charities of Middle Tennessee. Sales of the raffle tickets may begin no more than three (3) months before the annual drawing, which will be held in the month of October in each authorized year. Prize winners may be given the option of a specified amount of cash as an alternative to receiving certain prizes.

(2) A raffle of a new passenger vehicle, plus other lesser prizes, through a random drawing from numbered tickets, to be operated by and for the benefit of the National Kidney Foundation of Middle Tennessee, Inc. Sales of the raffle tickets may begin no more than three (3) months before the annual drawing, which will be held in the month of June in each authorized year. Prize winners may be given the option of a specified amount of cash as an alternative to receiving certain prizes.

(3) A raffle of a prize not to exceed two hundred fifty thousand dollars (\$250,000) in value plus other lesser prizes, through random drawings from numbered tickets, to be operated by and for the benefit of the American Cancer Society. Sales of the raffle tickets may begin no more than twelve (12) months before the annual drawing, which will be held in the month of May in each authorized year.

(4) A raffle of a new passenger vehicle, vacation or other prizes, through a random drawing system, to be operated by and for the benefit of the Tennessee Society to Prevent Blindness (d/b/a Prevent Blindness Tennessee). Sales of the raffle tickets may begin no more than three (3) months before the annual drawing, which will be held only once per authorized calendar year. Prize winners may be given the option of a specified amount of cash as an alternative to receiving certain prizes.

(5) A raffle to be conducted in accordance with the following provisions:

(A) The Alzheimer's Association, Midsouth Chapter, serves all of Middle and West Tennessee. The Alzheimer's Association, Midsouth Chapter will sell raffle tickets from August through October, in conjunction with Memory Walks. These walks are held annually from September through October and are open to the public. Currently, Memory Walks are held in Clarksville, Fayetteville, Memphis, Murfreesboro, Nashville, and Tullahoma. A Memory Walk will soon be developed for the Jackson/Lexington area;

(B) Memory Walks are open to the public and publicized through a variety of media sources: television, radio, newspapers, corporate newsletters, and the Midsouth Chapter's website;

(C) The raffle ticket will be a designed piece of paper on which participants can list their name, two (2) telephone numbers, and an e-mail address. Each ticket will be numbered and uniform in size, shape, and texture. Once purchased and complete, the ticket must be placed in a secure box. After the Memory Walk, the box will remain secure in the Alzheimer's Association's office until all Memory Walks are completed and the winning ticket, or tickets, is drawn from the box;

(D) Raffle proceeds will only benefit programs and services provided by the Alzheimer's Association, Midsouth Chapter. These programs and services are available to anyone with Alzheimer's, or a related disorder, and their caregivers, provided that they reside or work in the counties served by the Midsouth Chapter. Proceeds raised in West Tennessee, Middle

Tennessee, or the Highland Rim area will be used to support programs and to serve persons in those respective areas;

(E) The development director will coordinate the lottery from the Nashville office. This person will secure two (2) prizes, each of which will range in value from one thousand dollars (\$1,000) to fifteen thousand dollars (\$15,000), examples of such possible prizes are an autographed guitar, a cruise for two (2), or a new car. The two (2) winning tickets will be drawn by a member of the board of directors of the Alzheimer's Association, Midsouth Chapter, all of whom are volunteers and not association employees. The first ticket drawn will be for a prize of lesser value, and the second ticket drawn will be for the "grand prize" or prize of highest value;

(F) The raffle ticket price will be set not to exceed thirty-five dollars (\$35.00), and all participants must pay the same price for a ticket. No other purchase or donation is necessary in order to purchase a raffle ticket;

(G) The Alzheimer's Association, Midsouth Chapter, will provide information where "problem gamblers" may get help.

(H) People not eligible to win include the following people and their families: staff or board members associated with the Alzheimer's Association, Midsouth Chapter; employees who work with the board member who is designated to draw the winning tickets; and

(I) Participants need not be present at the drawing to win. The winners will be contacted by telephone three (3) times and once by mail prior to November 1. If a winner fails to claim the prize or make arrangements to do so within thirty (30) days, then

an alternate winning ticket will be drawn in the same manner until the prize is given away.

(6) A raffle of a prize of a value not to exceed two hundred thousand dollars (\$200,000) and other lesser value prizes, through random drawings from numbered tickets, to be operated by and for the benefit of the March of Dimes. Sales of the raffle tickets may begin no more than twelve (12) months before the annual drawing, which will be held in the month of November in each authorized year.

(7) A raffle of a new passenger vehicle or motorcycle, plus other lesser prizes, through a random drawing from numbered tickets, to be operated by and for the benefit of the Muscular Dystrophy Association, Inc., local chapters based in Tennessee. Sales of the raffle tickets may begin no more than twelve (12) months before the annual drawing, which will be held in the month of May in each authorized year.

(b) Each §501(c)(3) organization listed in subsection (a) shall, with respect to the annual lottery event operated for its benefit, fully and timely comply with all laws enacted by the general assembly with respect to annual lottery events for the benefit of §501(c)(3) organizations located in Tennessee and all rules and regulations promulgated thereunder.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring

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